

Winning *Affluent* Millennials:

How this new power persona is reshaping the finance industry

United Kingdom | July 2015

Background

Affluent Millennials across the UK will drive major changes within the finance industry. With considerable wealth this cohort of the population has money to manage and is actively looking for the best way to invest it. With so much access to knowledge, consumer reviews and global markets many institutions are struggling to reconcile the content and service demands of Millennials with regulatory requirements.

As Affluent Millennials' incomes and investable assets grow, this powerful generation will uproot the business models and marketing strategies of today's financial services providers and demanding tremendous change to the finance industry as a whole.

LinkedIn and Ipsos conducted a global study of 9,200 respondents in 10 countries to identify their preferences and behaviours regarding

savings and investments, as well as their attitudes and beliefs about financial institutions. This report focuses on data gathered from a subset of 802 respondents in the UK.

Key to unlocking future success for financial and investment institutions rests with how marketers understand Affluent Millennials and proactively target this upwardly mobile audience with products and services, as well as content and communication that appeal to their unique preferences, challenges and dreams. They should embrace disruption and in doing so win the loyalty of this powerful persona.



Methodology



GLOBAL SURVEY

20 minute online survey, fielded by LinkedIn and Ipsos in April 2015.

Survey measured usage, engagement, attitudes and opinions on financial services.



GLOBAL SAMPLE

9,200 respondents in 10 countries: United Kingdom, France, Netherlands, United States, Canada, Australia, India, Singapore, Hong Kong and Brazil.

Quota sampling/weighting applied to represent Internet users in each market.



CRITERIA

Respondents were Millennial (18-34) and Generation X's (35-49) Internet users.

In the United Kingdom, Affluent is defined as £75K+ net investible assets, excluding real estate.



UNITED KINGDOM RESULTS

This report covers results from 802 total respondents in the United Kingdom, including:

502 total Millennials (incl. 69 Affluent) and 300 total Generation X's (incl. 91 Affluents).



RESEARCH OBJECTIVES

Understand the differences between Millennials and Generation X's with regard to brand affinity, purchase process and information-gathering.

Comprehend the role that social media plays and the influence that content and context has on the decision journey for retail financial products.

Examine the subset of Affluent Millennials to understand their unique mindset, behaviors and expectations.

Key Findings Summary

AFFLUENT MILLENNIALS ARE...



ETERNAL OPTIMISTS

- Progressive view of future finance industry, confident about own financial future – set ambitious goals and sacrifice for tomorrow



CONTROL FREAKS

- Value the ability to manage their own finances using technology, particularly on mobile



OPEN MINDED

- Despite being loyal customers, Affluent Millennials are open to financial offerings from non-financial brands



SOCIAL-CENTRIC

- Social networks are a must-have and central to Affluent Millennials' financial decisions
- Especially likely to visit financial company's page and seek relevant content from financial companies on social



HUNGRY FOR EDUCATIONAL INFO

- Top content includes customer reviews, expert commentary, thought leadership, product and service information
- Significantly more likely to acquire educational content relevant to their financial needs through social networks



AMBITIOUS, PROGRESSIVE & CONFIDENT:

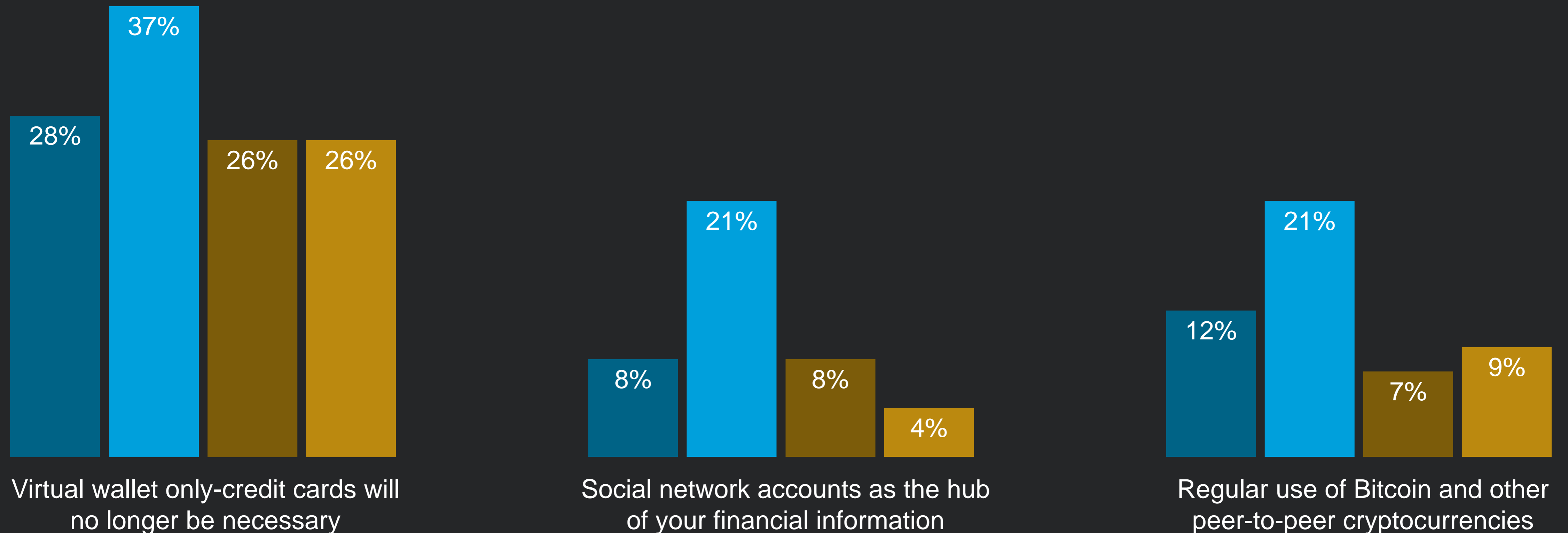
How this new power persona is reshaping
the finance industry

Affluent Millennials have a uniquely progressive view of future financial conditions

While these views are still a minority across all groups, Affluent Millennials are especially likely to envision a virtual, social-based economy where peer-to-peer currencies are regularly used.

Top Variations for AMs for UK:

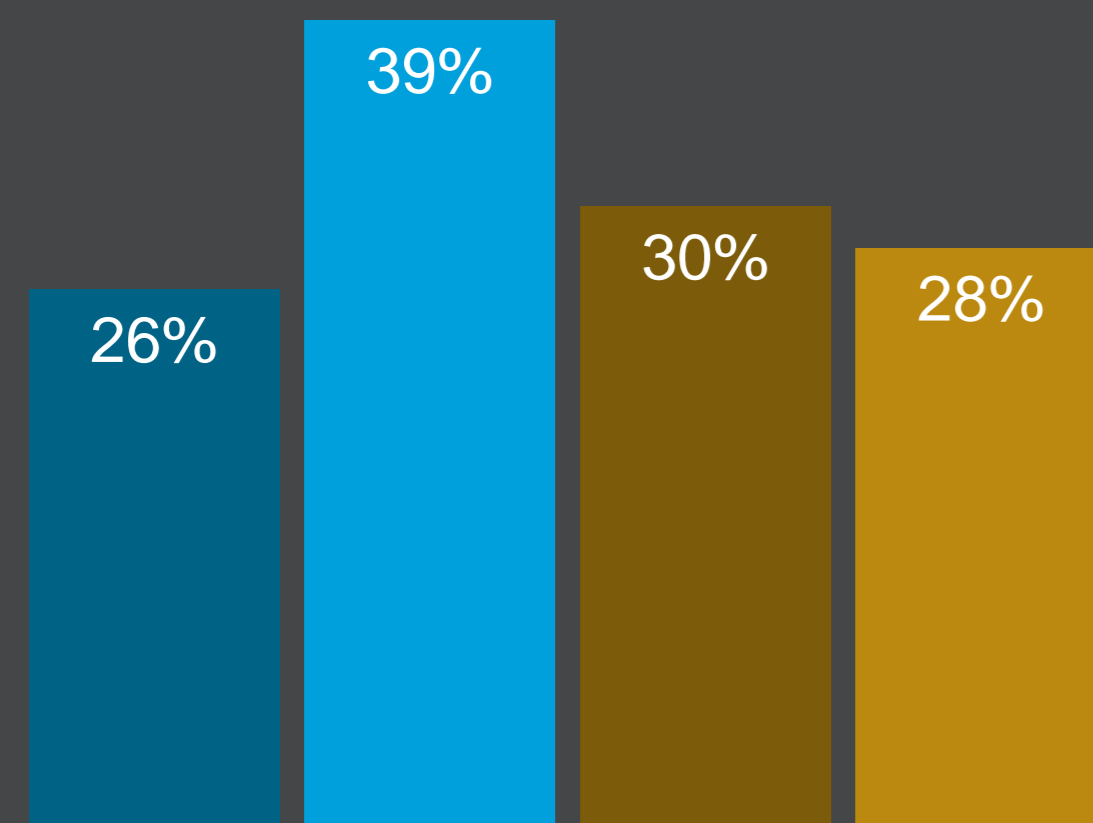
■ Millennials ■ Affluent Millennials ■ Gen Xers ■ Affluent Gen Xers



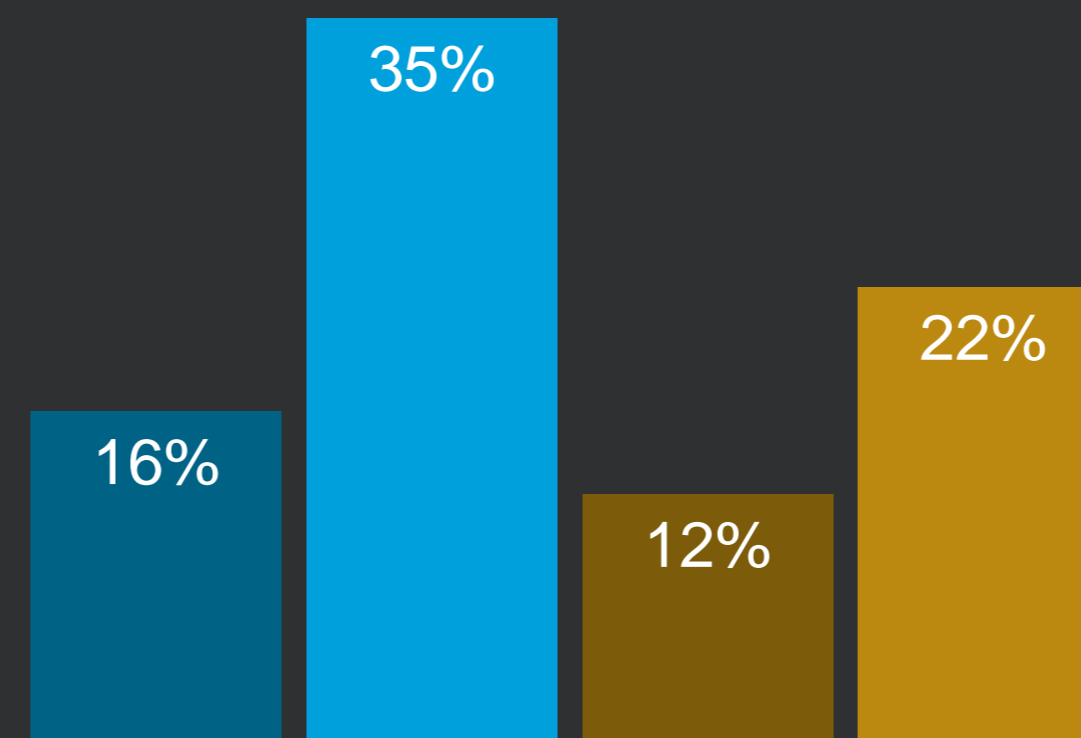
Despite high expectations of a future financial crisis, Affluent Millennials are unparalleled in confidence

While Affluent Millennials are more likely to anticipate another financial crisis, they are also significantly more likely to be confident in future economic growth and believe the financial ideal* of success through hard work is definitely possible.

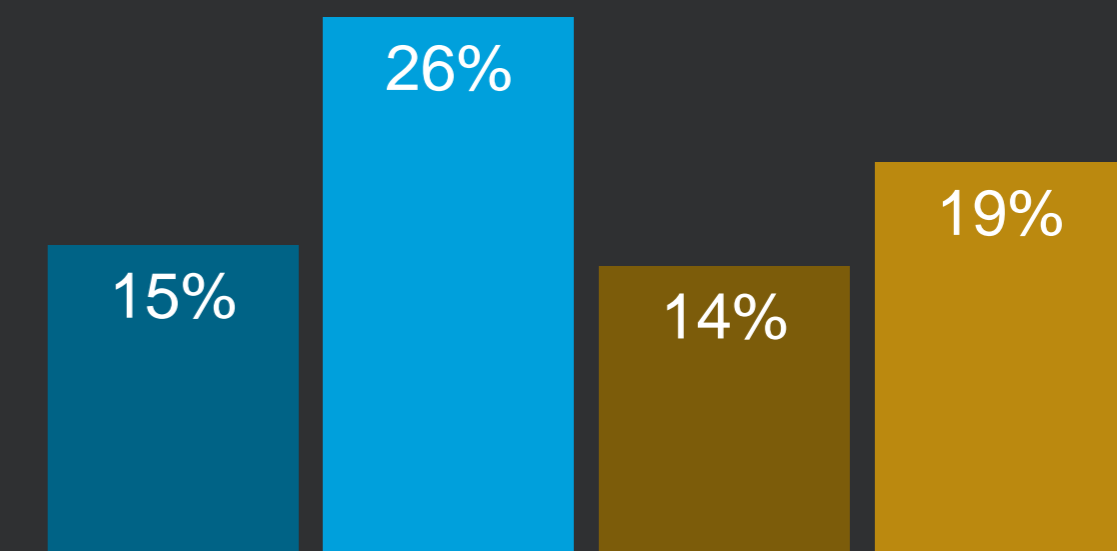
■ Millennials ■ Affluent Millennials ■ Gen Xers ■ Affluent Gen Xers



I anticipate another financial crisis to occur



I am confident in my country's future economic growth



Financial ideal- yes definitely

*The financial ideal = every citizen should have an equal opportunity to achieve success and prosperity through hard work, determination, and initiative.

Both Generation X's and Affluent Millennials think the decisions they make now will impact their future success

% Agree: My future success depends on the decisions I make now

MILLENNIALS

Total: 35%

Affluent: 42%

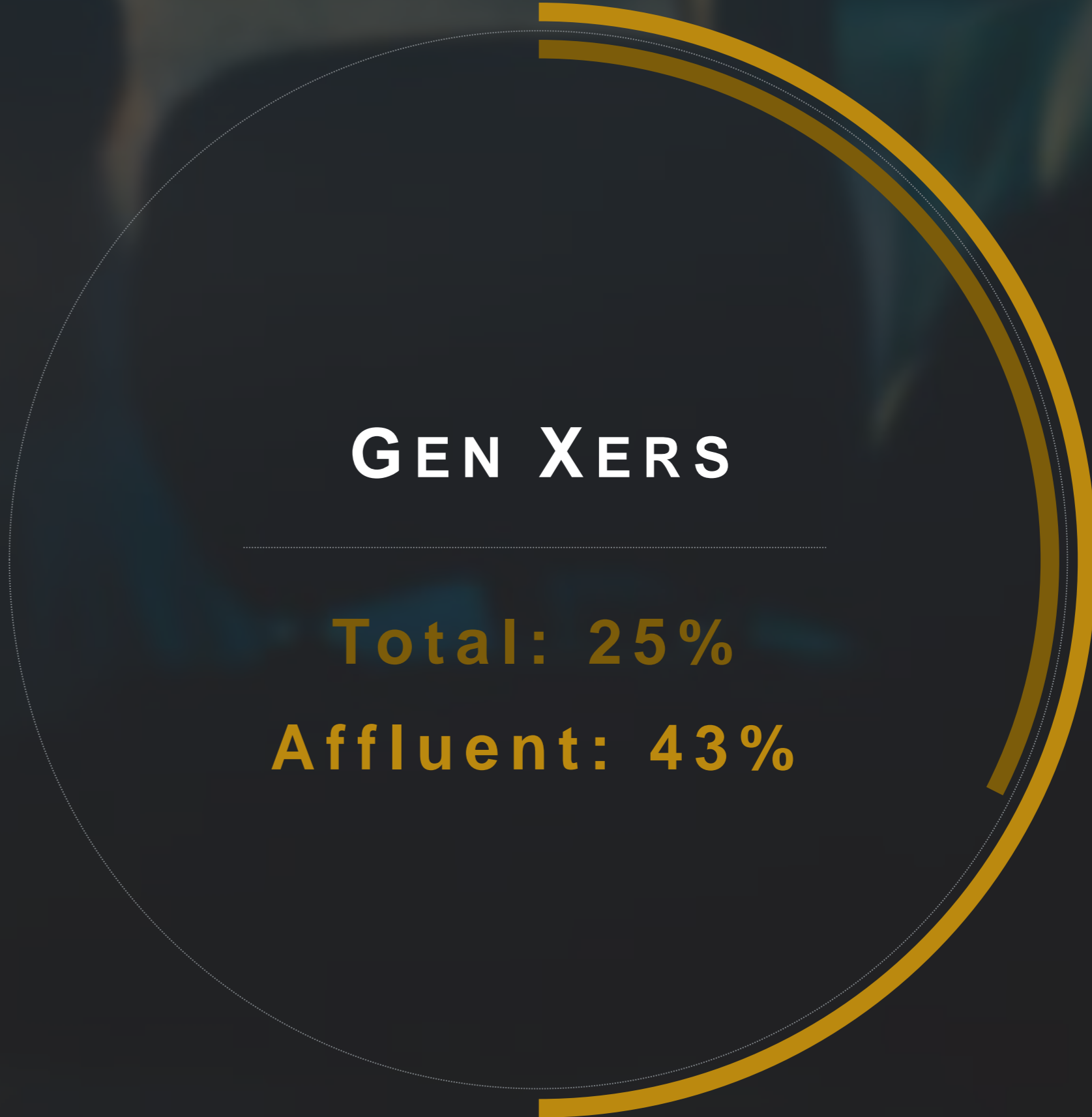
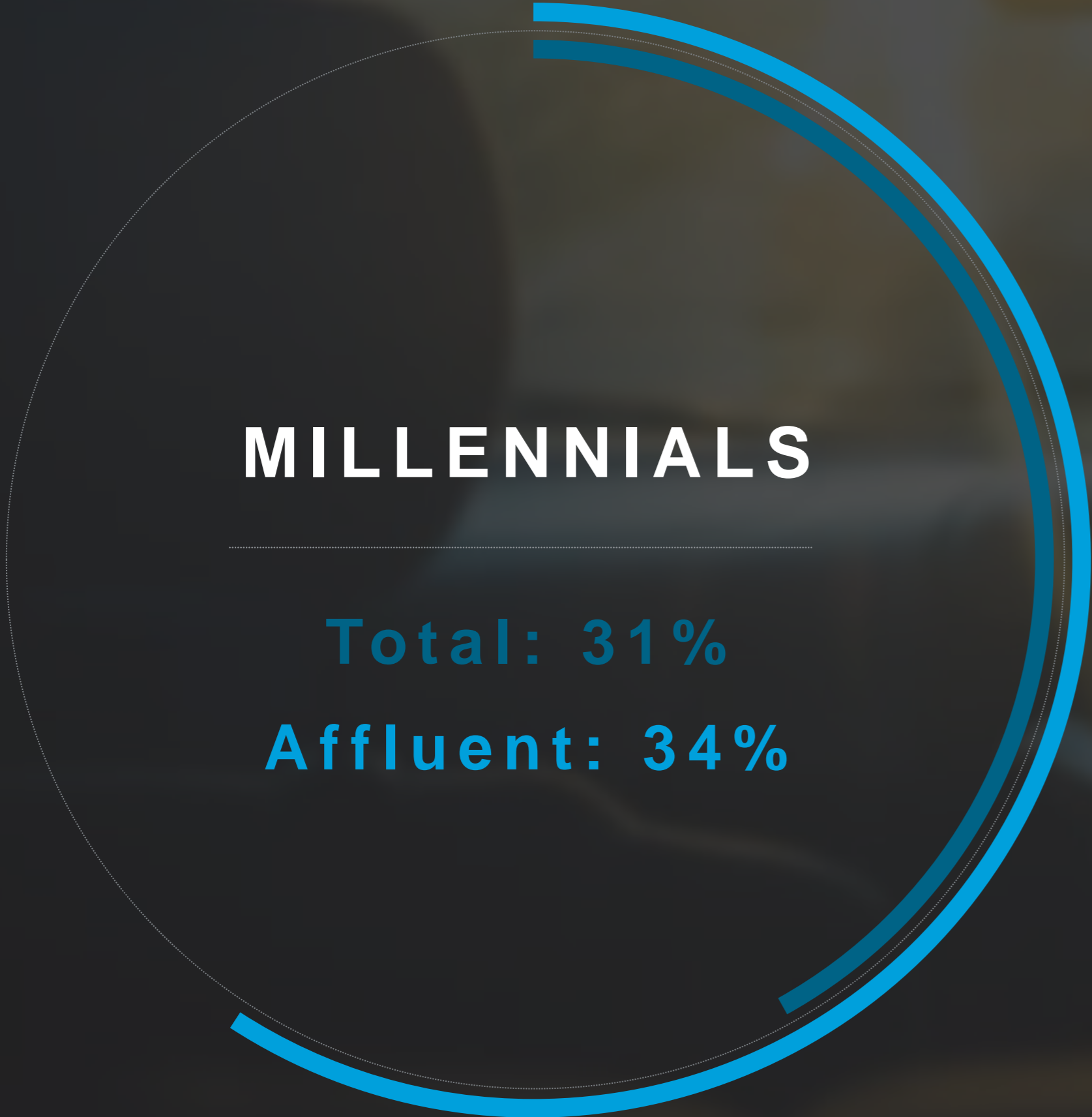
GEN XERS

Total: 29%

Affluent: 45%

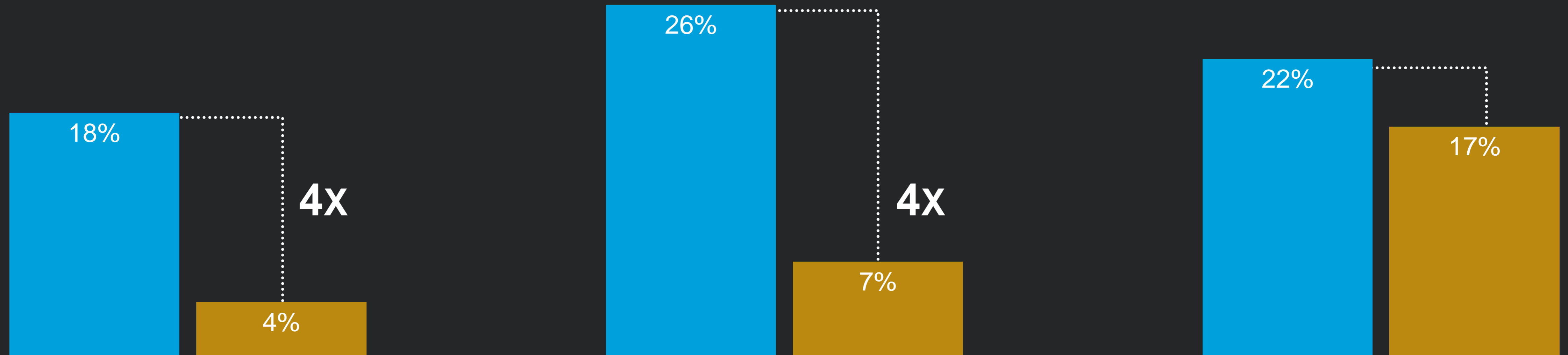
However, Affluent Millennials are less optimistic their sacrifices will pay off

% Agree: The sacrifices I make now will pay off in the future



UK Affluent Millennials are a bit more practical regarding their goals.

■ Affluent Millennials ■ Affluent Gen Xers



IMPROVING YOUR CREDIT SCORE

OWNING A FIRST OWN HOME/APARTMENT

STARTING A BUSINESS



INDEPENDENT, YET SEEKING GUIDANCE:

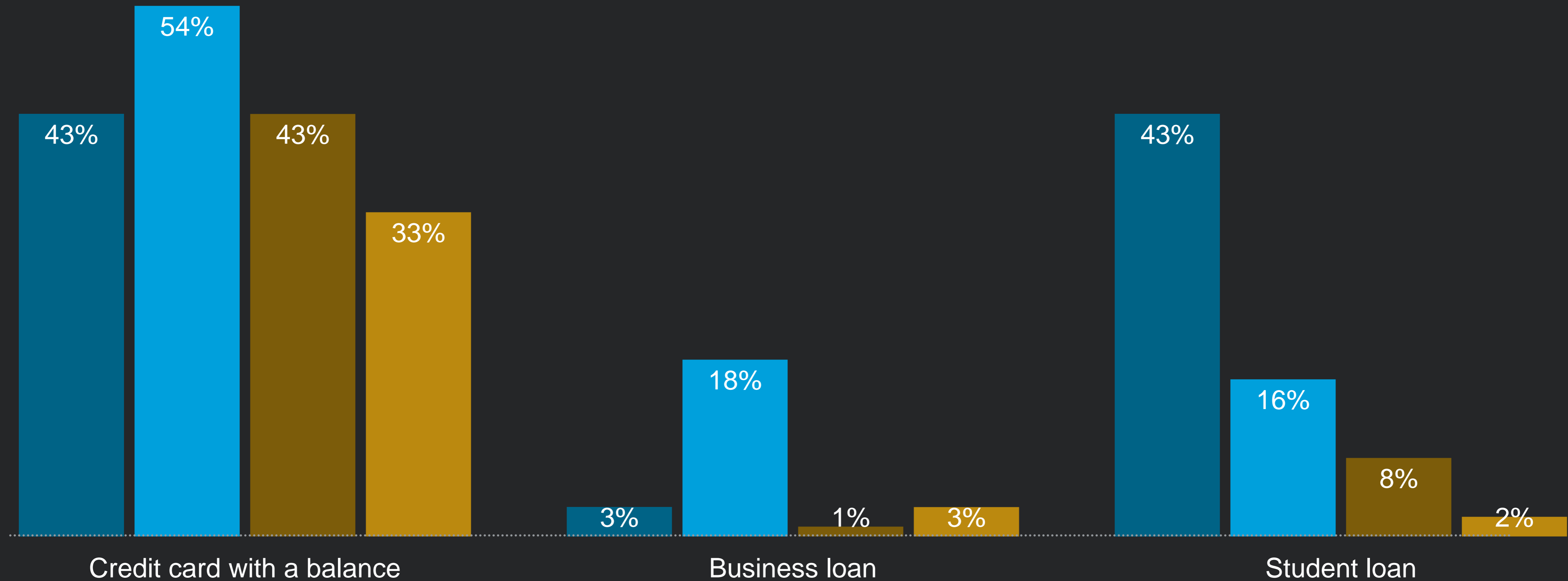
For Affluent Millennials, their financial future starts now

Affluent Millennials are more likely to carry debt

Two-thirds of Affluent Millennials have at least one loan* compared to half of Affluent Generation X's.

Have at least one...

Millennials Affluent Millennials Gen Xers Affluent Gen Xers

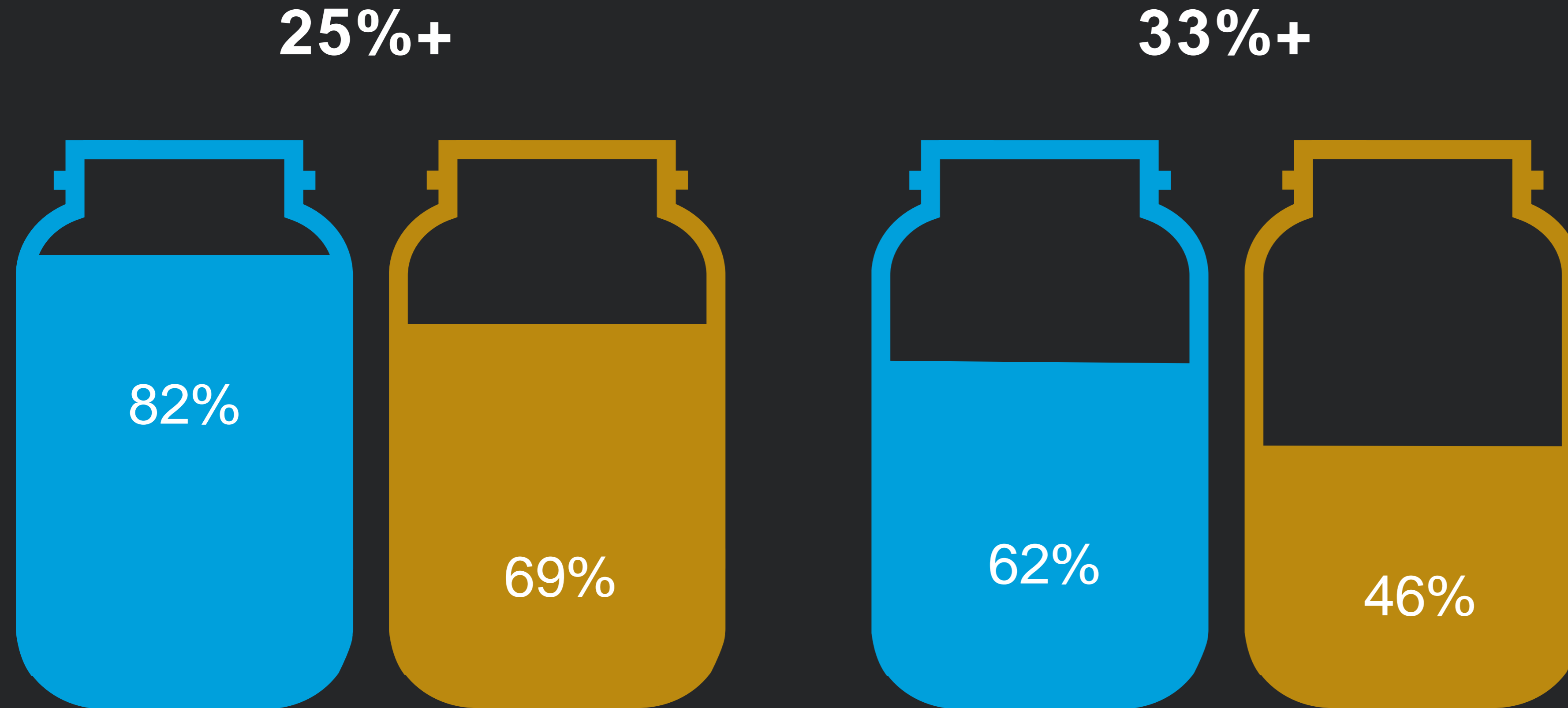


*Excluding mortgage

Compared to Affluent Generation X's, Affluent Millennials save more of their paycheck each month

% of wages saved per month

■ Affluent Millennials ■ Affluent Gen Xers

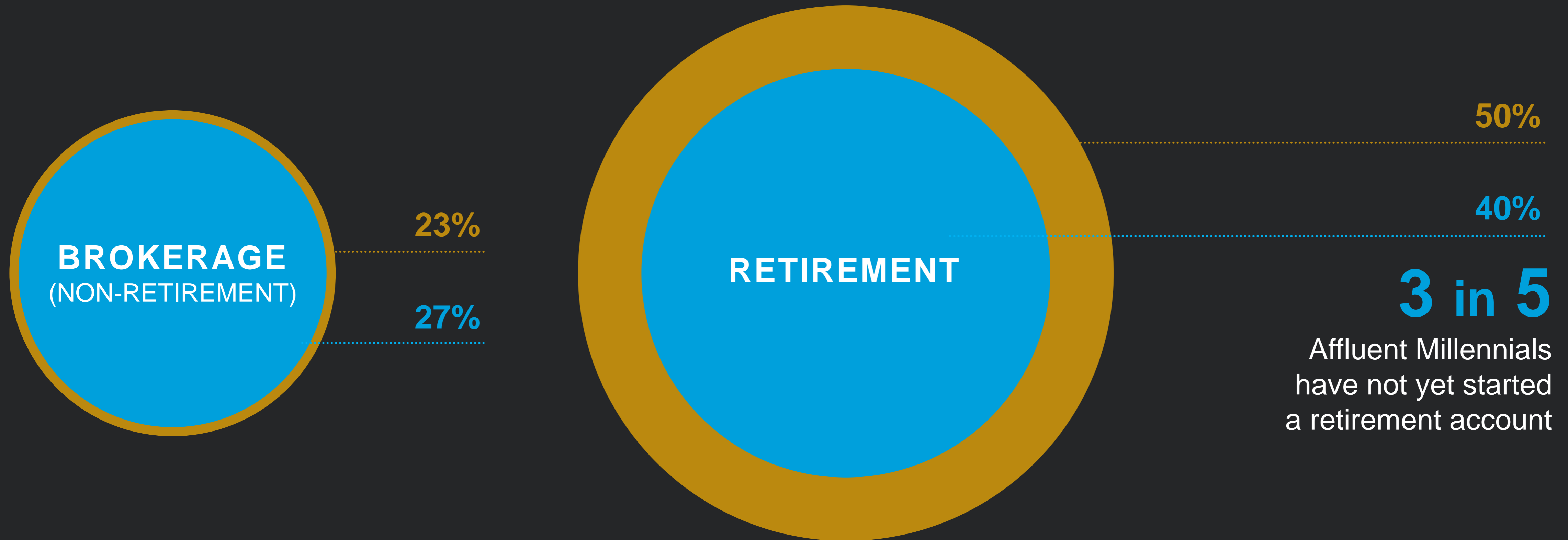


Affluent Millennials are on par with Affluent Generation X's when it comes to brokerage account ownership

Most Affluent Millennials have not yet started a brokerage or retirement account, highlighting the importance for financial institutions to build relationships early as Millennials grow their wealth.

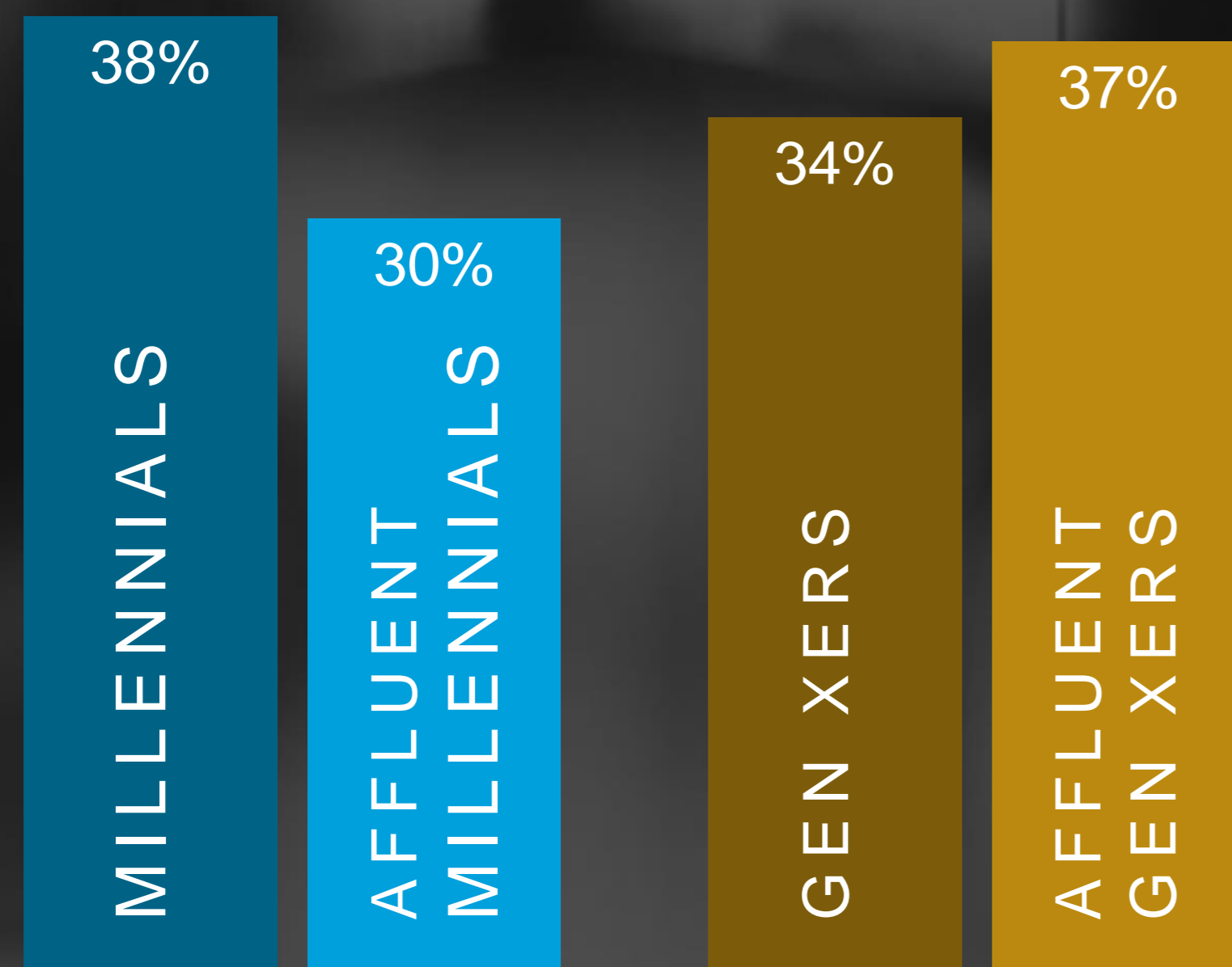
Have at least one account...

■ Affluent Millennials ■ Affluent Gen Xers



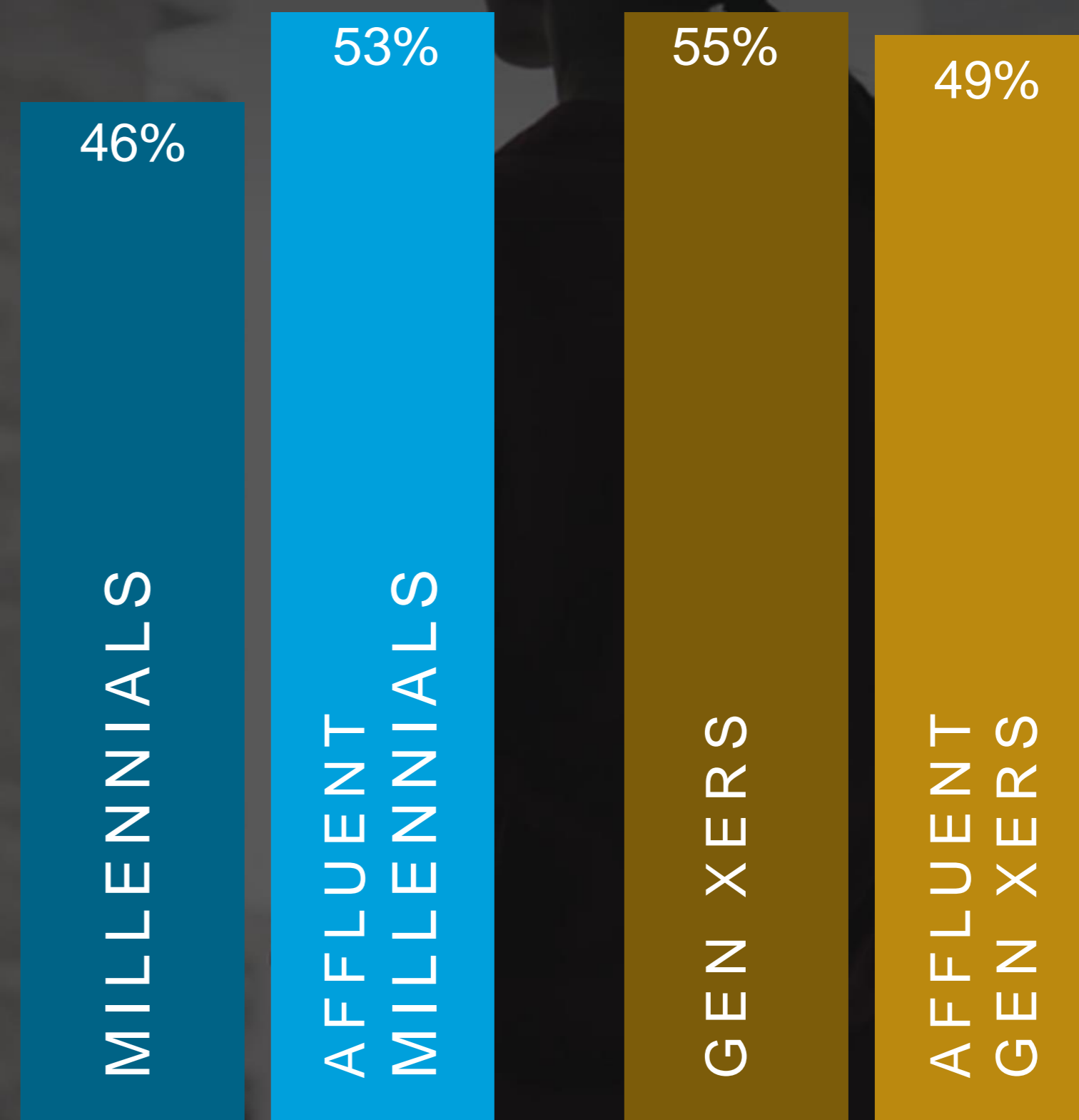
*Emerging Affluent = \$25K-\$100K in investible assets

According to the data Generation X's and Millennials seek greater involvement and control in financial decisions



VALIDATOR

Conduct their own research but consult an advisor to validate choices



SOLOIST

Perform their own research, make decisions and execute trades

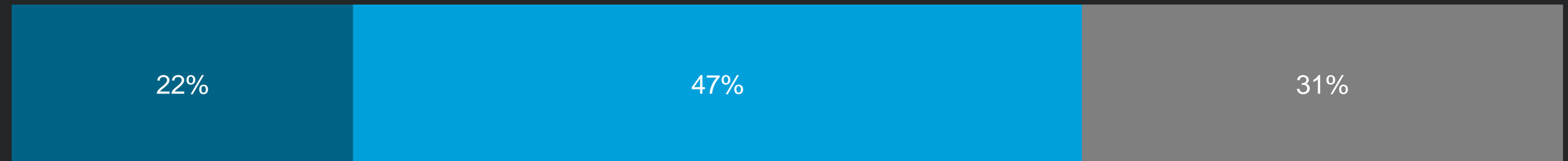
But they are still able to see the value in financial advisors

Despite their tendency to do their own research and seek information on financial decisions, Affluent Millennials are particularly likely to see value in having a financial advisors for their current assets.

A financial advisor is a...

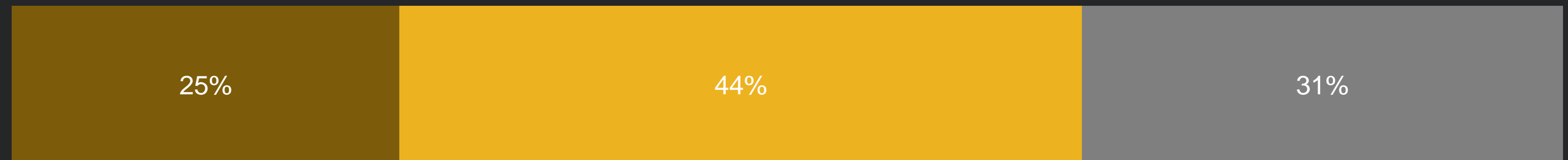
■ Must-have ■ Nice to have ■ Unimportant

AFFLUENT
MILLENNIALS



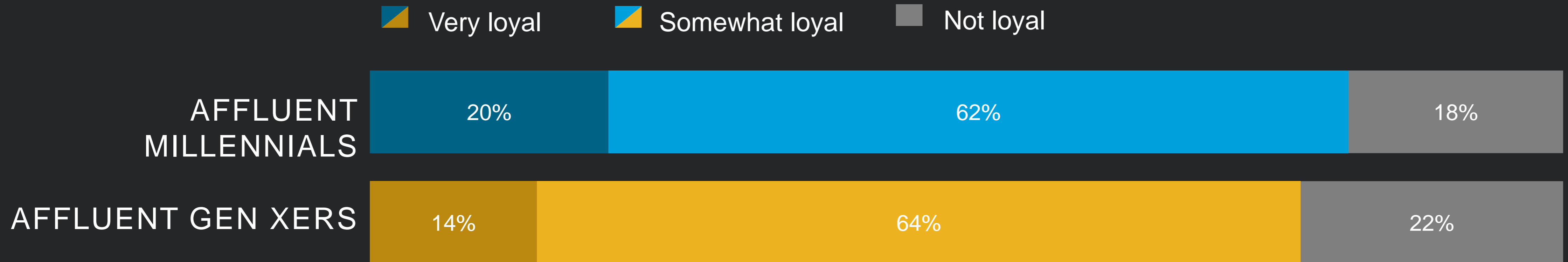
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AFFLUENT
GEN XERS



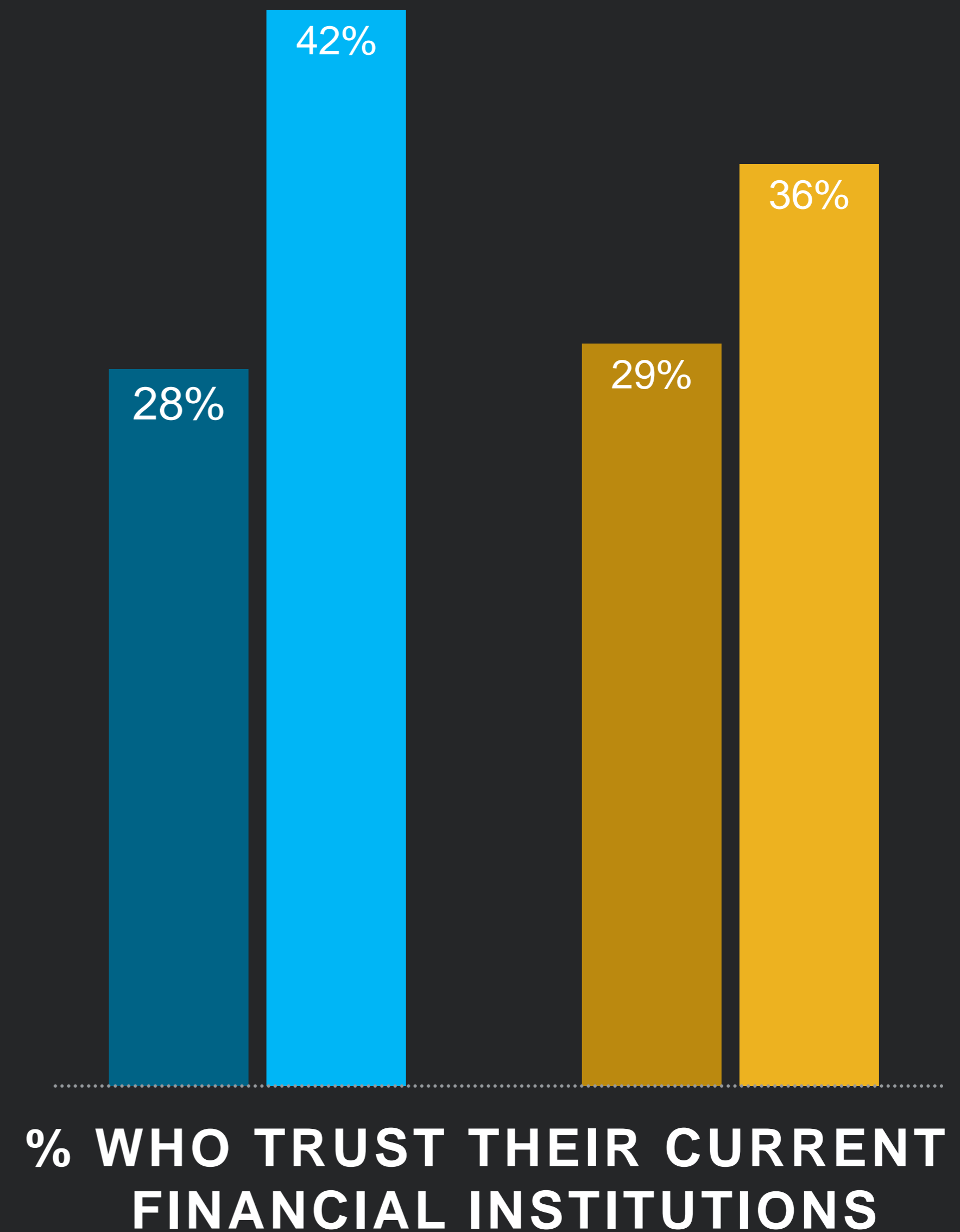
Once they are customers, Affluent Millennials are highly loyal to their financial institutions

Affluent Millennials are more likely to say they are **very loyal** and plan to do more business with financial institutions they work with:



Affluent Millennials' loyalty as customers isn't surprising when we see that they are **more likely to trust** financial institutions they work with.

■ Millennials ■ Affluent Millennials
■ Gen Xers ■ Affluent Gen Xers



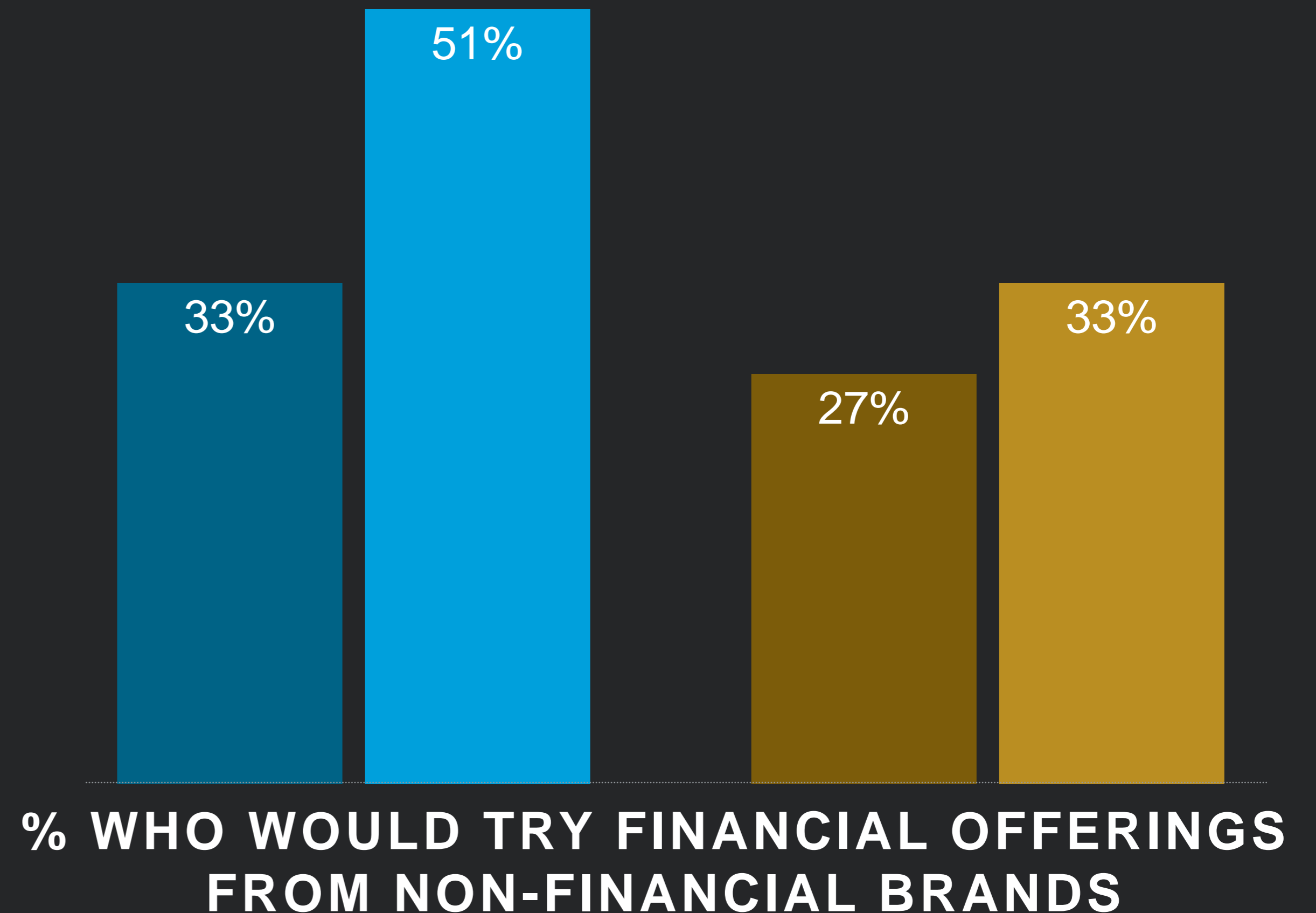
*Trust = 75% or higher

Affluent Millennials are open to financial offerings from traditionally non-financial brands

“Millennials are different. They have grown up empowered and expect to have a more self-directed life. So they are looking for solutions, not products.”

- Mohamed El-Erian, Chief Economic Adviser, Allianz

■ Millennials ■ Affluent Millennials
■ Gen Xers ■ Affluent Gen Xers



The background of the image shows a group of people in silhouette, looking out of a window. In the distance, a city skyline is visible, featuring a prominent domed building, likely St. Paul's Cathedral in London. The scene is dimly lit, suggesting an overcast day or dusk. The text is overlaid on a white rectangular box in the center of the image.

HIGH EXPECTATIONS & BIG DEMANDS:

Affluent Millennials want a deeper connection
with financial services providers

When choosing financial institutions, social presence and relationship history are uniquely important to Affluent Millennials

Top 5 factors of unique importance to Affluent Millennials

2x as likely to be important to Affluent Millennials, vs. Affluent Generation X's:



SOCIAL

Company has a page on various social platforms



PURPOSE

Company has a community mission you care about



RELATIONSHIP

First financial institution you had an account with



MOBILE

Company offers a mobile app



INFLUENCE

Members of your family use the financial institution



LIVE CHAT

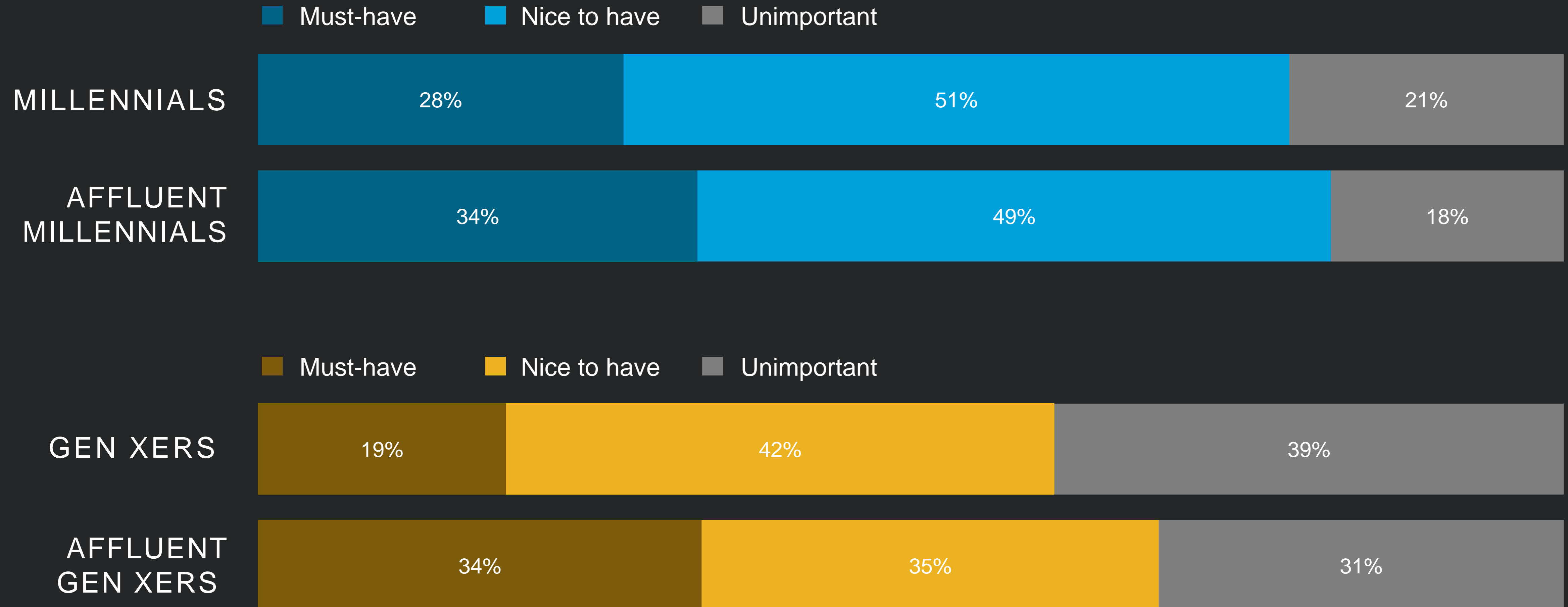
Company offers customer care online chat feature



SOCIAL PRESENCE

Company has positive online buzz

Affluent Millennials consider social networks a must-have



Social networks are central to Affluent Millennials' financial decisions

COMPARED TO AFFLUENT Generation X's, AFFLUENT MILLENNIALS ARE MORE LIKELY TO:

Think social networks will be the hub of their financial info in the future

5x

Visit a financial company's page on a social network

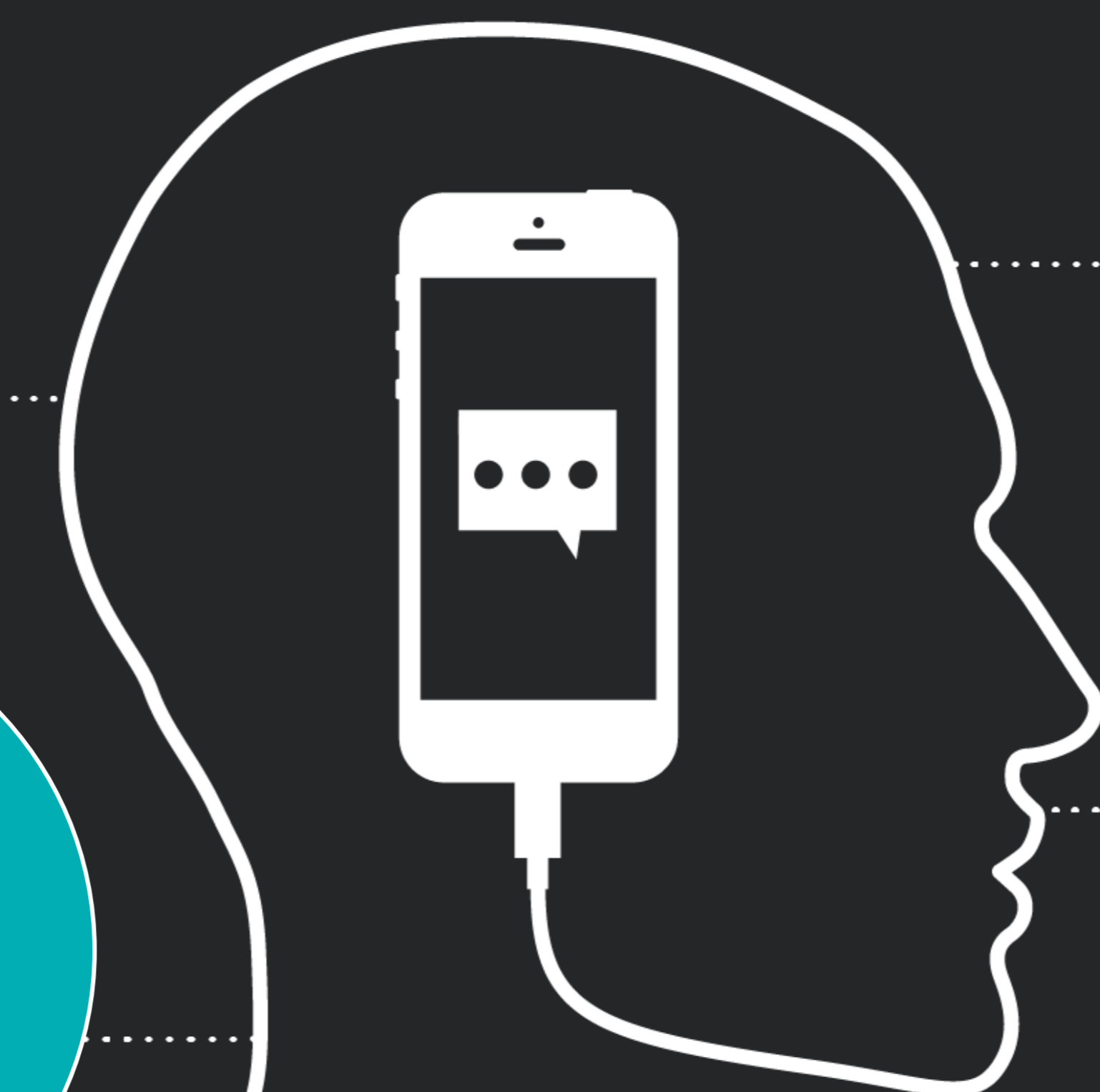
2.5x

Use social networks to inform finance / Investment decisions

2x

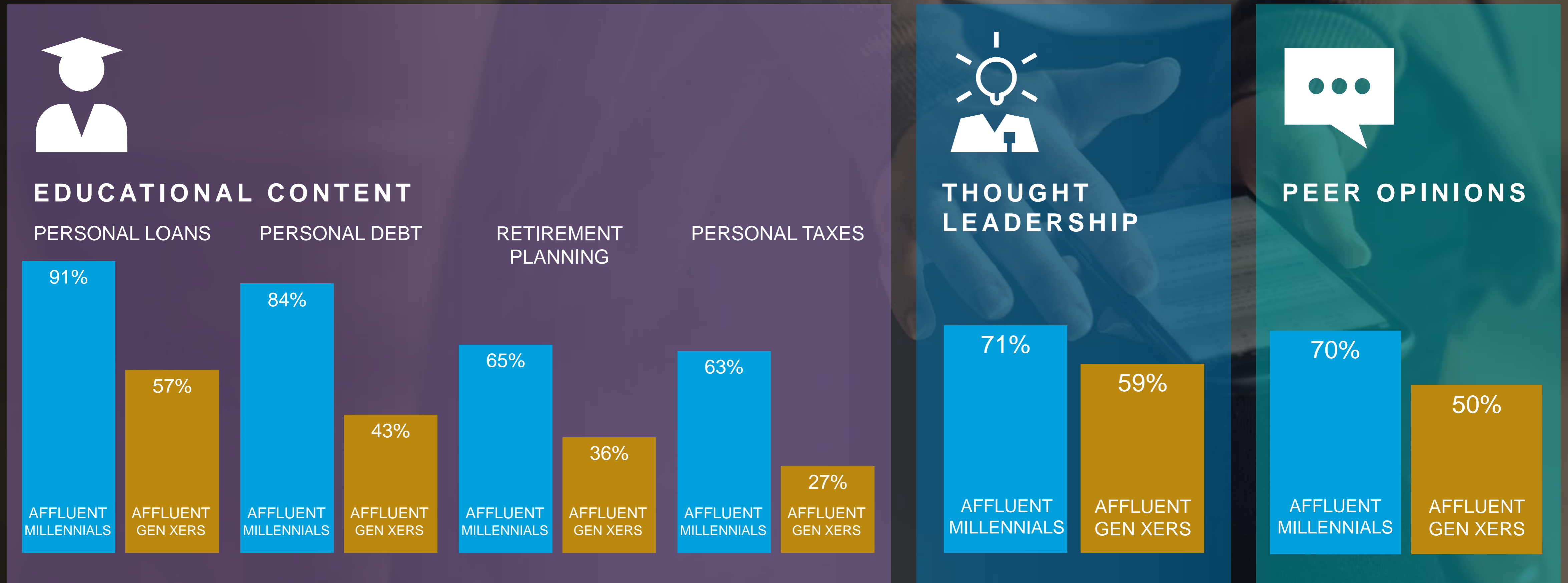
Seek content from financial companies on social networks

2.4x



Educational content, thought leadership and peer opinions are top content for Affluent Millennials on social networks

% of affluent users that use at least 1 social network to obtain this type of info.



Affluent Millennials are significantly more likely to seek relevant financial content on social networks

For each type of financial info they consider relevant to their personal needs, Affluent Millennials are significantly more likely to acquire this info through social networks vs. Affluent Generation X's:



Affluent Millennials are especially active on LinkedIn

Compared to the general population on LinkedIn,
Affluent Millennials on LinkedIn have:

2X AS MANY

13X AS MANY



CONNECTIONS



**COMPANY
FOLLOWS**



**GROUP
ACTIVITY**



SHARES



**FINANCE
TOPIC SHARES**

Opportunities for marketers

Opportunities available to financial services providers to successfully navigate potentially tumultuous times and even thrive through it all.



SOCIAL

Social is key to unlocking success- use it to target, communicate and engage.



ALWAYS-ON

Engage with Affluent Millennials on the platforms that they use and when they want to.



EDUCATE

Make relevant content freely available to this generation of content consumers.



RELATIONSHIPS

Build trust and loyalty through relationships with this cohort of the population.

A group of people are gathered around a table at night, celebrating. Several individuals are holding lit sparklers, which create bright, sparkling light trails. The scene is dimly lit, with the primary light source being the sparklers and some ambient light from the background. The people are smiling and appear to be in a festive mood. In the foreground, there are several wine glasses on the table, some containing red wine. The overall atmosphere is one of joy and social connection.

THANK YOU

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